



**OFFICE OF
STATE TREASURER
DENISE L. NAPPIER**

NEWS

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NAPPIER SELECTS MERCER AS INVESTMENT CONSULTANT

Rogerscasey chosen to provide project-specific investment consulting services

(Hartford) – Connecticut Treasurer Denise L. Nappier announced today the selection of Mercer Investment Consulting as the traditional investment consultant for the \$26 billion Connecticut Retirement Plans and Trust Funds (CRPTF). Subject to successful contract negotiations, Mercer is expected to begin advising the treasury in October.

The New York-based consulting firm was chosen from among six companies that responded to a request for proposals issued by the treasurer's office in January.

"Mercer has extensive experience providing investment consulting services to public sector clients," said Nappier, noting that the seasoned firm is ranked among the nation's top investment consulting firms by its public and government clients, according to the Thomson Nelson Annual Report.

"With globalization becoming increasingly important to successful investment strategies, Mercer's world-wide reach also brings added value to its proven track record and is expected to enhance Connecticut's pension fund's investment returns," Nappier added.

Mercer will replace Connecticut-based Rogerscasey, CRPTF's primary consultant for more than ten years. The firm will continue to serve the treasury on a project-retainer basis.

Nappier commended Rogerscasey for its expertise and the care in which it conducts business, adding that the consulting company's continued association with her administration would be in the funds' best interest.

"Overall, I would say that Rogerscasey is as good as their counterparts in the industry," she said. "But change is inevitable, and I believe the time is right for change as we chart a new course with a new way of looking at our strategic asset allocation. Mercer is well-poised to handle CRPTF's traditional consultant mandate from a fresh perspective and give us quality service."

Mercer's deep bench of investment consultants, averaging more than 10 years of experience, and its dedicated global team of 29 specialists, were factors in the selection of the firm, she said. The firm operates 42 offices in 21 countries with 680 employees. Its

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customer base includes more than 30 clients with assets in excess of \$30 billion. Cumulatively, the company counts 1,800 clients in 35 counties.

Another consideration in the selection of Mercer is its responsible investment experience, exemplified by the firm's participation in developing the United Nation's global principles for conscientious investment and also the U.N.'s global reporting and assessment framework. In addition, the firm developed an action-training program for pension fund trustees on the relationship between climate change and investment risk.

The designation of a new primary consultant coincides with the treasury's plans to make changes to its investment policy plan, stemming from a recently completed study conducted in conjunction with the state's independent Investment Advisory Council. Those changes include increased exposure to emerging and foreign-developed markets, the creation of a liquidity fund, and the commitment of up to 8 percent to a new alternative investment asset class for nontraditional and evolving strategies.

This new asset class does not include real estate or private equity investments, which are already separate asset classes within the CRPTF. A search for a nontraditional investment consultant to aid the state in implementing this new asset class was launched simultaneously with the traditional consultant search. A decision on the preferred firm will be announced shortly.

In related treasury news, Nappier recently named Independent Fiduciary Services, Inc. to conduct an operational assessment of the Pension Fund Management Division, which oversees the day-to-day supervision of the pension and trust funds.